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UNITED STATES DEPARTMENT OF AGRICULTURE
Economic Research Service

Responses in the South and Southeast to National Expansion in
Economic Activity Since 1961*

by

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Those participating from the States scarcely need be reminded of the tremendous upsurge in jobs and earnings that has occurred in the past few years in the South and Southeast. In part, such changes reflect a continuation of expansions previously underway in established growth centers. What may not have been as evident is the extent to which employment levels and take-home pay in many hard-pressed communities have rebounded from the lows of the recession years.

To a much greater extent than in the 1950's, moreover, smaller communities outside major metropolitan complexes are benefiting from additions of sizable new payrolls. This bringing jobs closer to potential migrants is unlikely to halt further depopulation, especially of the more seriously disadvantaged rural areas. Nevertheless, it is already becoming a factor both in altering the magnitude of out-migration and redirecting more of that which occurs to nearby communities by encouraging first commuting and ultimately relocation closer to work.

Selecting Data for Measuring Local Growth

At the Charlottesville Meeting last April, two possibilities were mentioned for determining local responses to the national increase in economic activity then beginning its fifth year. 2/ The first alternative suggested was to extend the method described at that time for measuring changes in population centers between 1950 and 1960 to those taking place since then. The second proposal called for updating a study of shifts in employment and earnings in private nonfarm industries that had been initiated to ascertain whether new economic opportunities were taking up some of the lag or slack created by declines in farming, mining, and similar sources of rural employment.

In itself, conversion of the County Business Patterns reports, source of the statistics utilized, to an annual basis, starting with data for the first quarter of 1964, sufficed to tip the scales in favor of the second approach. In the future, information thus would be at hand on year-by-year changes in the economic situation in each county, rather than for approximately every third year as in the past. The schedule for publication called for release of individual reports for all States and the District of Columbia by the end of calendar year 1965 or shortly thereafter. Hence, data on what had transpired during two additional and relatively crucial years would be available about a year earlier than if the next periodic survey had not been started until sometime last year.

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2/ Regional and Local Differentials in Postwar Growth of Population Centers in Nonmetropolitan Areas. Paper presented at the Southeastern Regional Science Association Meeting, April 23, 1965.

Nationally, 46.6 million persons -- more than 60 percent of the total labor force -- held jobs in private nonfarm industries in 1962 (table 1). ^{3/} Wages and salaries from this major source represented a consistent 50-percent-plus of all personal income in 1949 and 1962, and its more than doubling in the 13-year period closely approximated the increase in the total.

Table 1.--Distribution of total labor force, United States, 1962

Major industry	Number (millions)	Percent
	<u>No.</u>	<u>Pct.</u>
Civilian:		
Private nonfarm-----	46.6	62
Government-----	8.9	12
Other nonfarm-----	7.2	10
Farm-----	5.2	7
Unemployed-----	4.0	5
Armed forces-----	2.8	4
Total-----	74.7	100

Despite changes in coverage by the old age and survivors insurance (OASI) program, statistics as processed and reported provide a reasonably uniform series throughout, and one that even in the less industrialized States includes a minimum of about 90 percent of such privately employed workers. Representation (again referring to 1962) was at least 95 percent complete for employment in manufacturing, wholesale and retail trade, finance, insurance and real estate, and mining (table 2).

Data supplied by State Employment Security agencies on coverage under their respective unemployment insurance laws were utilized in allocating employment and payroll statistics to individual counties that prior to 1964 were listed in various combinations in Texas, Georgia, and other States with 100 or more counties. In addition to serving as sources of supplemental information in years for which OASI coverage was unavailable, first-quarter and other reports for 1964 and 1965 supplied statistics on local changes by as much as a year in advance of expected availability of County Business Patterns reports.

^{3/} Data cited on total employment in nonfarm industries, including government, are adapted from Bureau of Labor Statistics (BLS) tabulations for the United States and individual States. Those for personal income comprise estimates by Office of Business Economics (OBE), published in April and July, 1965, issues of Survey of Current Business. Population statistics are from Current Population Reports, Series P-25, Nos. 72, 304 and 324.

Table 2.--County Business Patterns coverage of employment in private nonfarm industries, United States, 1962

Industry	Total (millions)	Reported	
		Number	Percent ^{1/}
		(millions)	
	No.	No.	Pct.
Manufacturing-----	16.9	16.4	97
Trade-----	11.6	11.3	98
Service, miscellaneous-----	7.9	6.6	83
Transportation, communications, utilities-----	3.9	3.0	77
Contract construction-----	2.9	2.4	84
Finance, insurance, real estate--	2.8	2.7	97
Mining-----	0.6	0.6	95
Total-----	46.6	43.0 ^{2/}	93

^{1/} Percentages computed from data expressed in thousands.

^{2/} Excludes employees in agriculture, forestry, and fishery and in unclassified establishments.

Although employment subject to the Railroad Retirement Act has been omitted from County Business Patterns tabulations up to now, the Association of American Railroads compiles annual data on number of employees by individual metropolitan areas as well as States. Accounting for a relatively high percentage of the total in most instances, supplemental information would have to be sought only for such counties in the nonmetropolitan areas as contain significant numbers of railroad as contrasted with other employees.

For purposes of comparisons over time, seasonal fluctuations, notably in the construction industry, do not loom too large. What are needed mainly are special safeguards to avoid misinterpretation of data in cases, for example, where temporary jobs in major construction activities may raise employment to several times the level prevailing before or after completion of the project. Otherwise, precautions are essential mostly when, as in 1959 and again in 1962, there were widespread variations locally in recovery or lack of recovery from the previous recession.

The exclusion of private household and similar workers largely accounted for CBP's reporting of only 83 percent of all wage and salary workers in service industries. Actually, omission of doctors, dentists, lawyers, and other self-employed professional workers constitutes an even more serious limitation.

Particularly in many strongly rural areas, this same qualification applies to lack of coverage of the self-employed in retail trade and other businesses. Supplementary statistics for government workers, farm operators and wage workers, and on income from nonwork sources also would be required before a complete appraisal could be made of the economic situation, past, present, and future, in many localities.

Postwar Trends in the South and Southeast

Keeping the foregoing advantages and disadvantages of this particular approach in mind, let us turn next to a look at some of the overall statistics for the South, and then at those for the Southeast. ^{4/}

For the South, employment in nonfarm industries, including government, rose from 10.5 million in 1947 to 15.8 million in 1964, a gain of approximately 50 percent over the 17-year period (table 3). An expansion of personal income from \$45 to \$128 billion represented a gain of some 180 percent, and a modest increase from 24 to 26 percent - in the Region's share of the United States total. For income per capita, the ratio to the United States average was enlarged from 77 to 84 percent, an improvement reflecting gains in incomes at a greater pace than additions to population.

Table 3.--Employment, income and population increases in the South and Southeast, 1947-64

Item	South				Southeast			
	Increase		Percent		Increase		Percent	
	Number or dollars	Percent	of		Number or dollars	Percent	of	
			U. S.				U. S.	
			From:	To			From:	To
Nonfarm employment (mil.)-----	5.3	51	24	27	3.5	49	16	18
Personal income (\$bil.)-----	83.0	182	24	26	52.0	179	15	17
Income per capita (\$thous.)-----	1.1	112	76	82	1.1	112	76	82
Population (mil.)-----	14.6	33	31	31	9.9	34	20	20

For the Southeast, the increase in employment in nonfarm industries over the period was equally high. Government employment expanded by 80 percent, but the 900,000 workers added made up only a fourth of the overall increase. Deducting the government component from statistics for the Southeast and the United States, the comparative increases in the private sector were 44 and 27 percent, respectively.

^{4/} For purposes of the present paper, the South coincides with the grouping of States included by the U. S. Bureau of the Census in this as contrasted with their other 3 major regions; the Southeast consists of their South Atlantic Division, extending from Delaware to Florida and including West Virginia, plus Kentucky, Tennessee and Alabama.

As for the South as a whole, the share of personal income was altered only slightly. With population, however, again remaining fairly constant -- in this instance at 20 percent of that of the entire United States -- the ratio of income per capita registered similar improvement - from 76 to 82 percent.

Local Changes in the Immediate Postwar Period

Reviewing briefly what had transpired at the local level in the more immediate postwar years, tabulations from the CBP reports showed gains of 2,500 or more employees in nearly 200 counties in the 11-year period ending in 1959 (fig. 1). Reflected were the increases that had occurred in such major growth areas as those in or near Baltimore, Washington, D.C., Richmond, Atlanta, Dallas, Fort Worth, and so on (fig. 2).^{5/} Including a total of more than 600 counties in which at least 500 employees were added, expansions that were subregional in scope were in the making in the Piedmont and Coastal Plain sections of the Carolinas, East and West Coast and Central Florida, the TVA - and more recently the increasingly space industry-oriented areas in northern Alabama, south central Tennessee, and north-eastern Mississippi, and portions of the Gulf Coastal Belt, extending from Pensacola and Mobile through New Orleans to Houston and beyond.

Losses of 500 workers or more over the same period were most conspicuous in the coal mining and some equally decadent manufacturing areas in West Virginia, eastern Kentucky, and southwestern Virginia (fig. 3). Elsewhere, losses of similar magnitude were more or less limited to relatively rural counties that had lost a key textile or lumber mill, or, in Texas and Oklahoma, that had experienced severe cutbacks in employment in the petroleum and natural gas industry. Between 170 and 180 other counties lost up to 499 workers, while nearly 300 additional and also predominantly rural counties had gains of less than 250 employees.

Increased rates of pay and in many instances steadier work generally contributed in the 1948-59 period to substantial expansions in average weekly earnings. Even after adjusting reported dollar values for changes in costs of living, the increment from these sources sufficed in all but about 50 counties to hold payroll losses to less than \$250,000. In an additional 80-odd counties, however, some reduction was sustained, and in approximately 350 counties, again mostly representing rural communities with a small employment base, increases aggregated less than \$250,000.

Impact of the 1960 Recession

The local impact of the 1960 recession is evidenced by the fact that nearly 530 -- more than a third -- of the counties of the South had fewer workers in private nonfarm industries in 1962 than in 1959 (fig. 4). Appalachia continued to include more than its share of counties in which the severer losses of jobs occurred. Particularly when extended to include losses involving at least 100 workers, reductions elsewhere were experienced in broadly distributed and in some instances urban as well as rural and semi-rural counties.

Not only were these and minor reductions both extensive and widespread, but fewer than 100 employees were added in approximately another 300 counties. Altogether, private nonfarm employment increased by 500 workers or more in only 260 of the nearly 1,400 counties in the Region.

^{5/} Figures 2, 3, 7, 8, and 9 follow text, beginning with page 18.

CHANGES, 1948-59
THE SOUTH

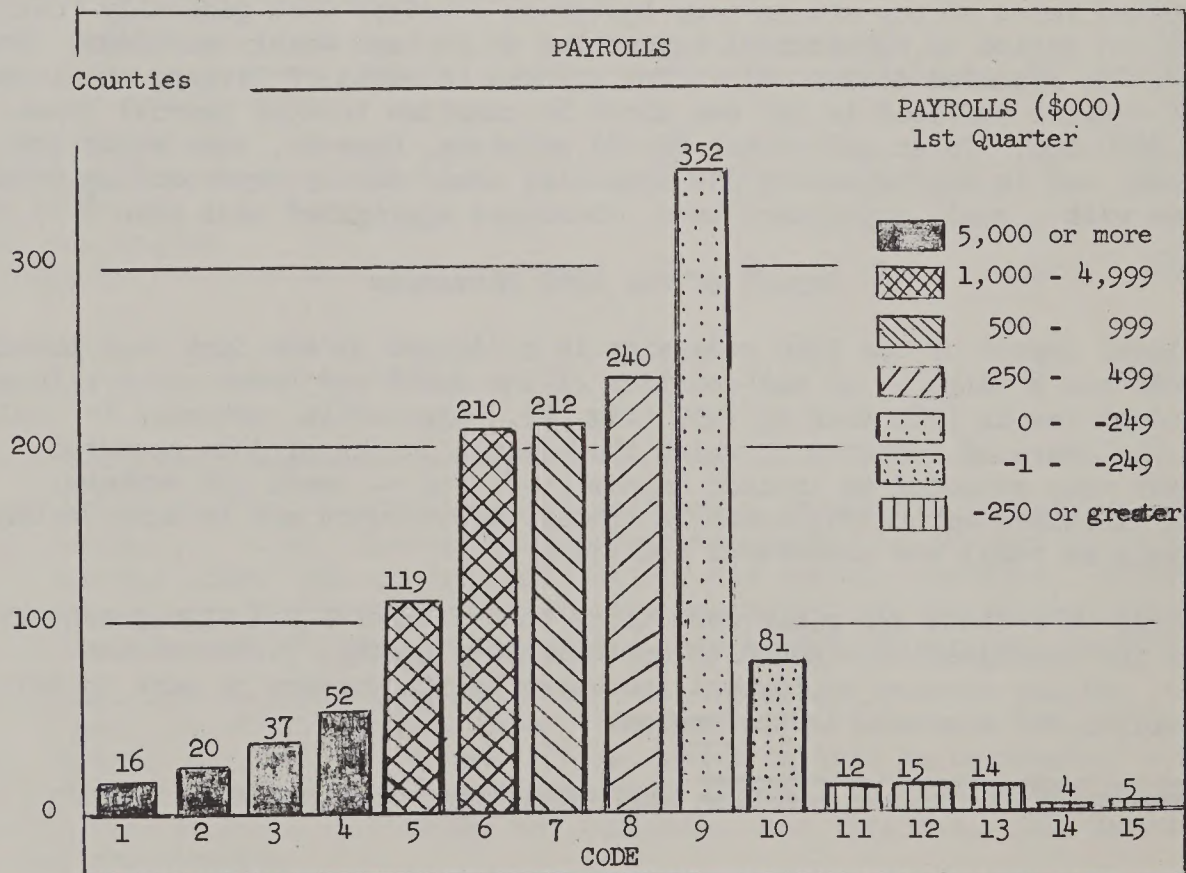
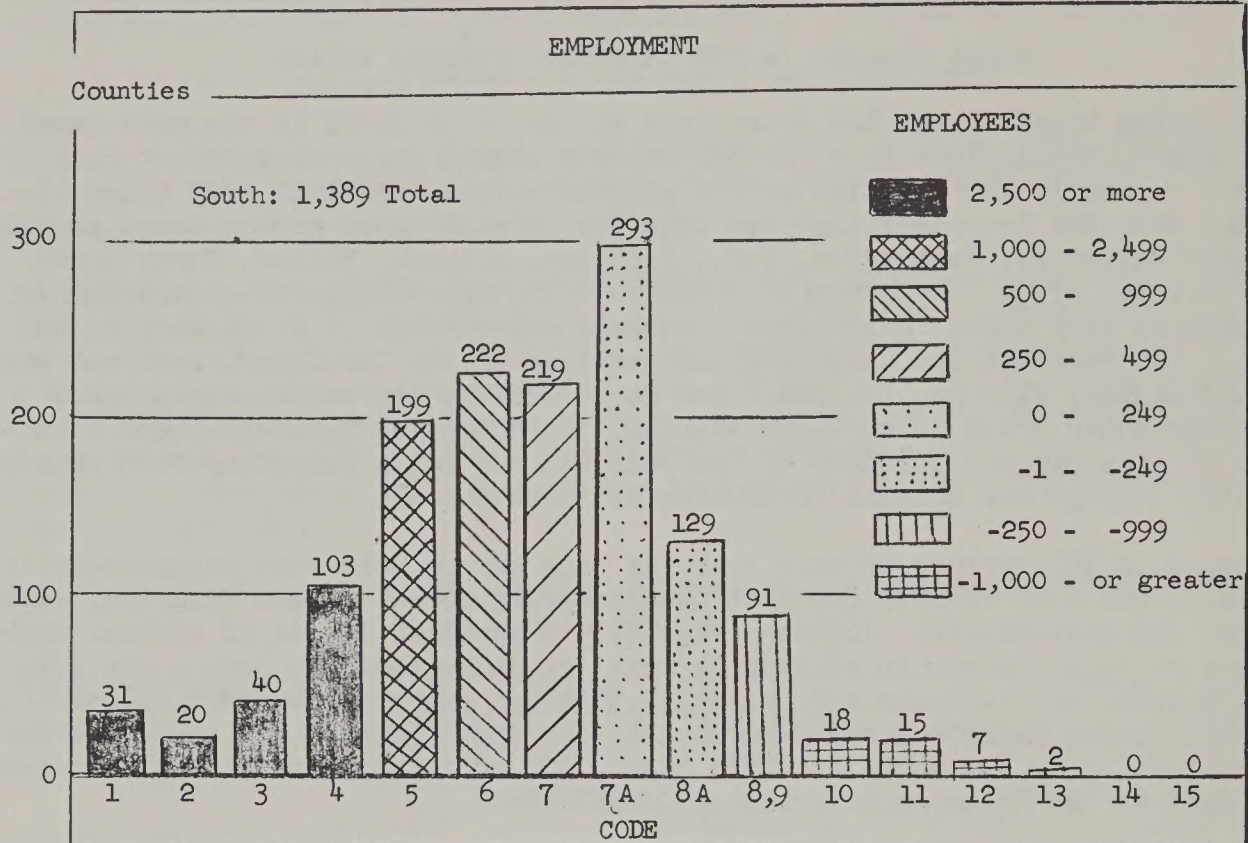


Figure 1
- 6 -

CHANGES, 1959-62
THE SOUTH

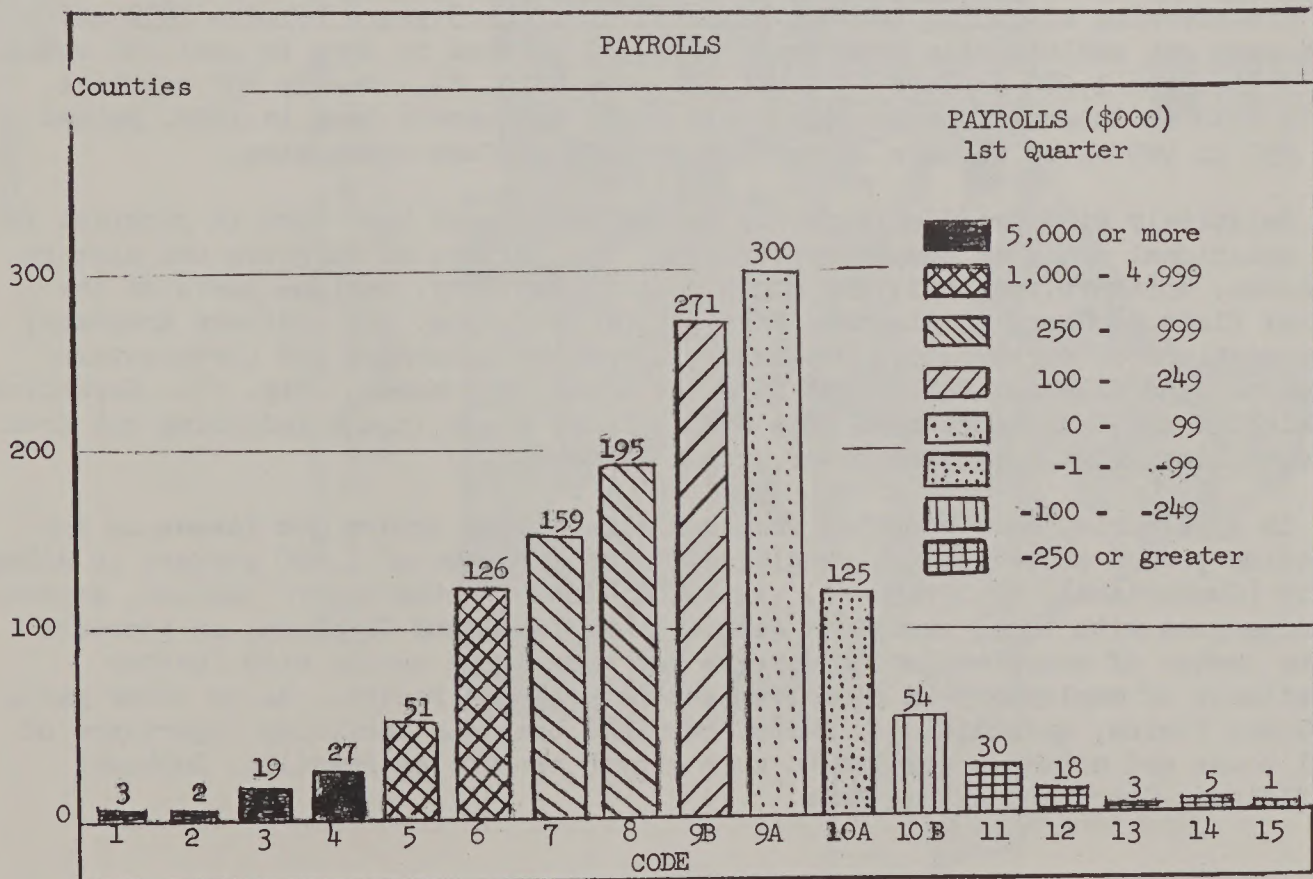
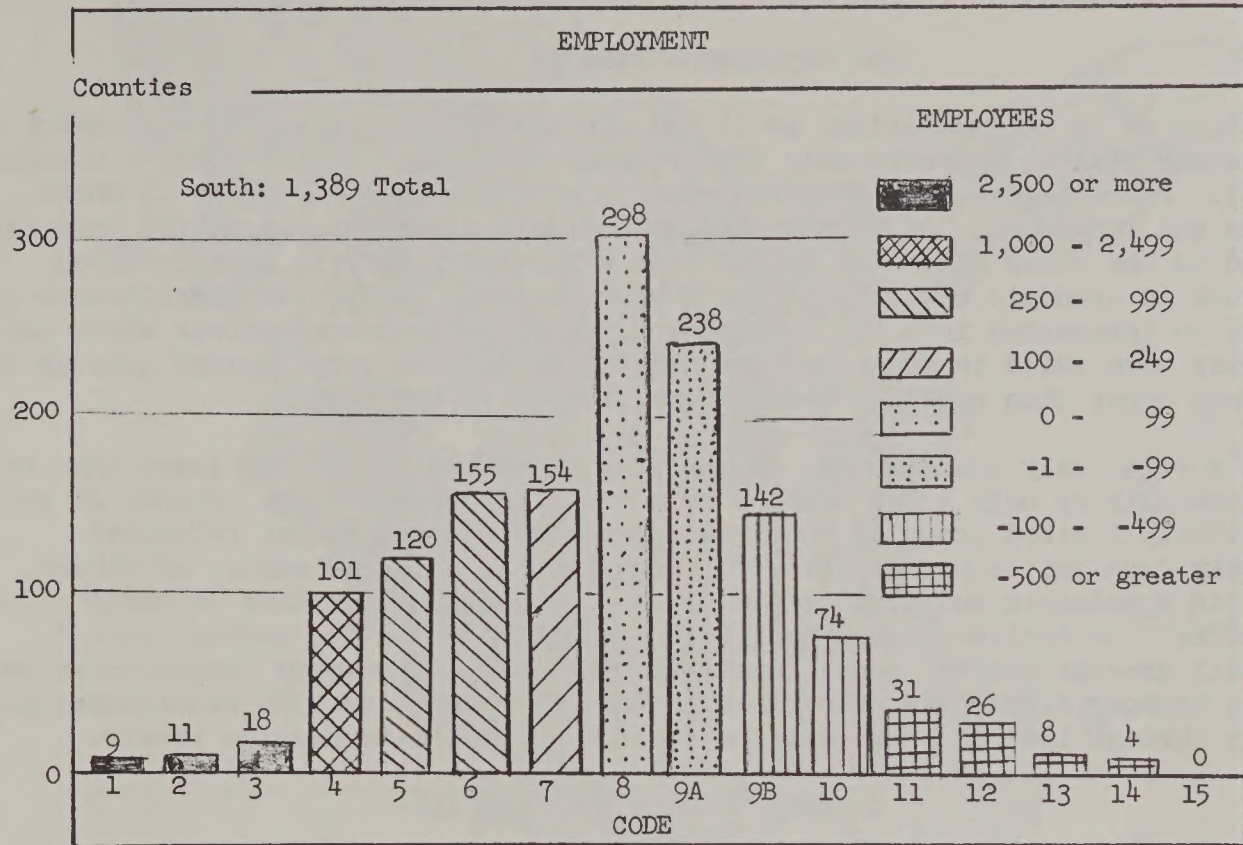


Figure 4

Reductions in payrolls involved 235 counties, and increases were limited to less than \$250,000 in another 570. Added together, counties in which there were limited additions if not reductions in earnings from this source comprised nearly three-fifths of the total.

The Employment Picture in 1964

Moving on to the situation as it had altered by 1964, reported employment was at a postwar peak in approximately 760 or about 55 percent of the South's counties (fig. 5). Percentage-wise, the representation of counties was highest in North Carolina and Tennessee, but so many and such widely distributed counties were also included in the other States as to indicate a pervasive as well as pronounced resurgence in economic activity in the 2-year period. Of special significance to those of us interested in rural development, numerous instances appear where new industries were added in counties that heretofore had had very limited sources of employment other than possibly agriculture, forestry, and mining.

In a relatively small number of counties, 1964 employment was lower than in 1962, generally by only a few persons or a minor percentage. The economy of another comparatively limited group of counties apparently had not as yet rebounded completely from the impact of the 1960 recession. In a larger number of others, located in Appalachia and scattered elsewhere as isolated counties or small clusters of counties, the decline traced back to at least the immediate postwar period. In a still greater number, poor industrial mix and other adverse characteristics had made the economy especially vulnerable to the 1949, 1954, or 1958 recessions, and recovery through 1964 had not restored employment to pre-depression levels.

Changes Between 1959 and 1964

Transferring attention to what happened over the 5 years between 1959 and 1964, there were net additions in employment of 2,500 persons or more in some 100 counties and of at least 1,000 workers in about 170 more (fig. 6). Nearly 400 counties, mostly with an intermediate to relatively small employment base in 1959, gained from 250 to 999 extra workers in various private nonfarm industries.

Relatively widespread enlargements of the employment base were in progress in such additional areas as Southside Virginia, the Valleys of Virginia and eastern Tennessee, northern, central, and south central Kentucky, various parts of the Coastal Plain in Georgia, Alabama, Mississippi, Louisiana, and southern Arkansas, Delta sections of northwestern Mississippi, eastern Arkansas, and northeastern Louisiana, and Arkansas Valley and adjacent areas in Arkansas (fig. 7). Expansion in Oklahoma and Texas continued on a multi-county scale in and radiating out from Tulsa, Dallas, Fort Worth and other growth centers.

In Appalachia, some counties that had experienced severe job losses in the preceding period showed gains, ranging up to an increase of 1,600 workers in Allegany County (Cumberland), Md. (fig. 8). Net reductions in others were nominal, especially in comparison with those sustained earlier. In Texas and Oklahoma, an increase in the number of counties losing workers was associated mainly with further curtailment of employment in petroleum and natural gas fields. As in other parts of the Great Plains, an additional factor may have been the declining importance of small towns and cities, relative to such growth centers as Amarillo, Lubbock, and Midland, Tex., and Altus, Okla.

POSTWAR EMPLOYMENT PEAK SOUTH

Data represent OASI program coverage as
listed by County Business Patterns reports
for years specified

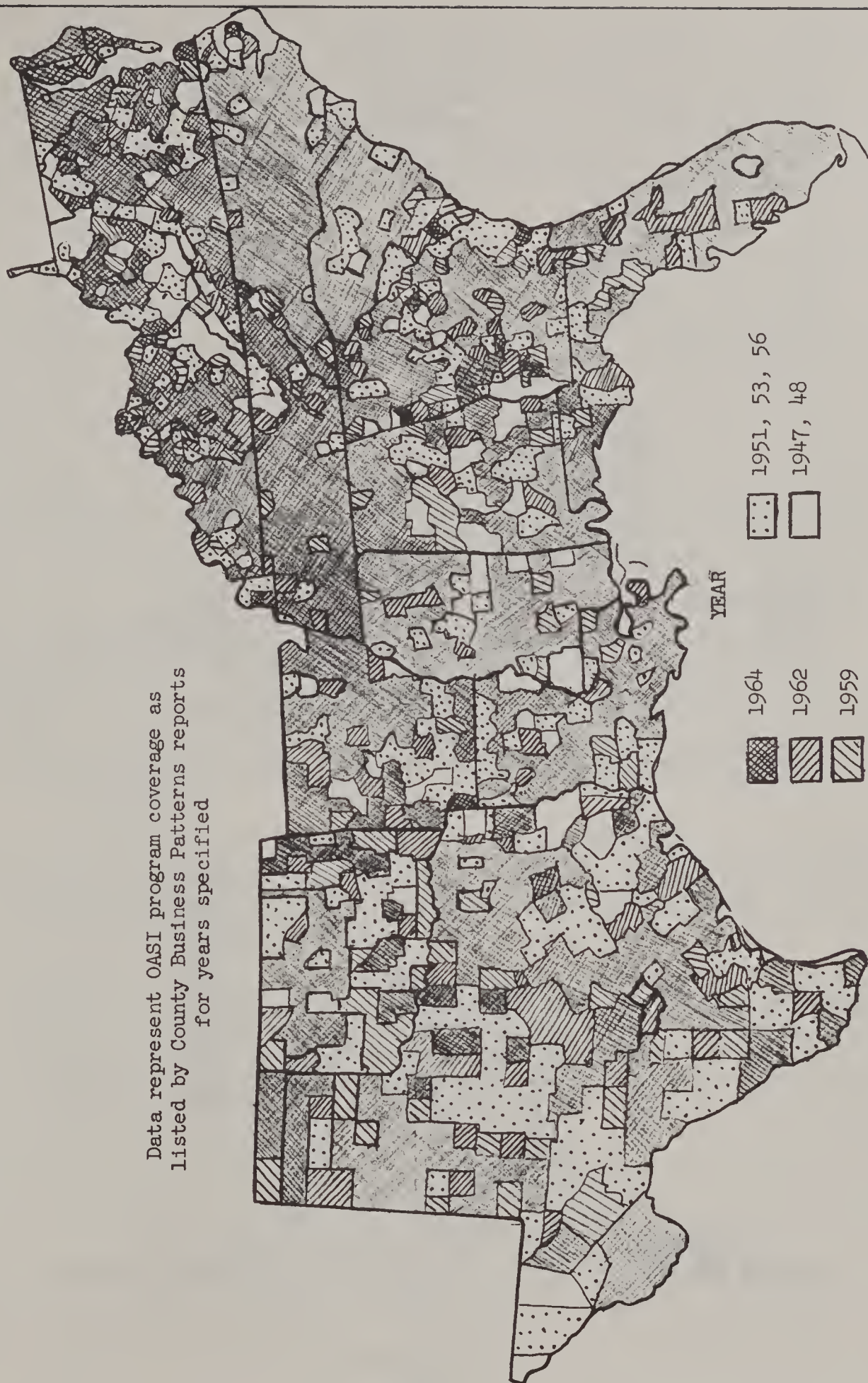


Figure 5

CHANGES, 1959-64
THE SOUTH

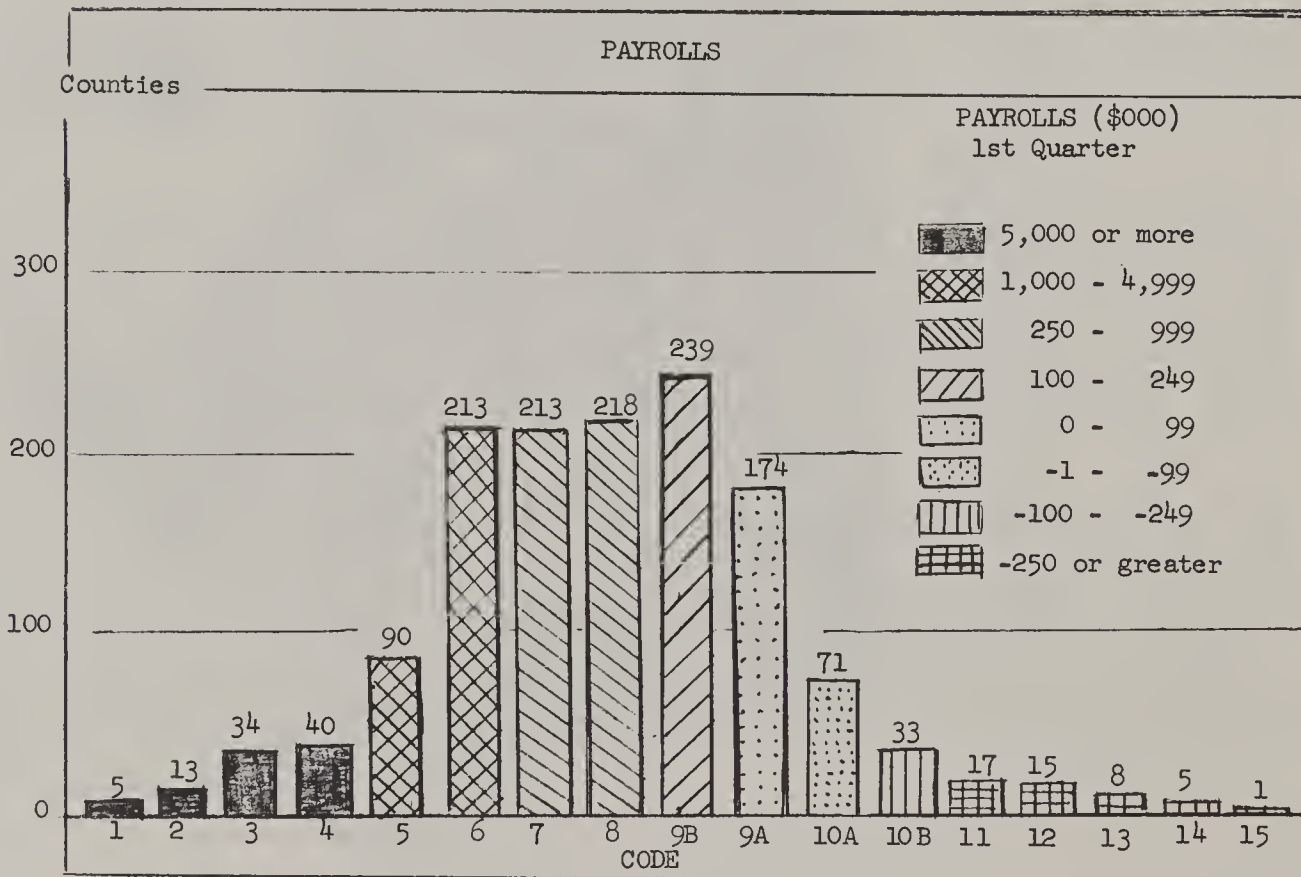
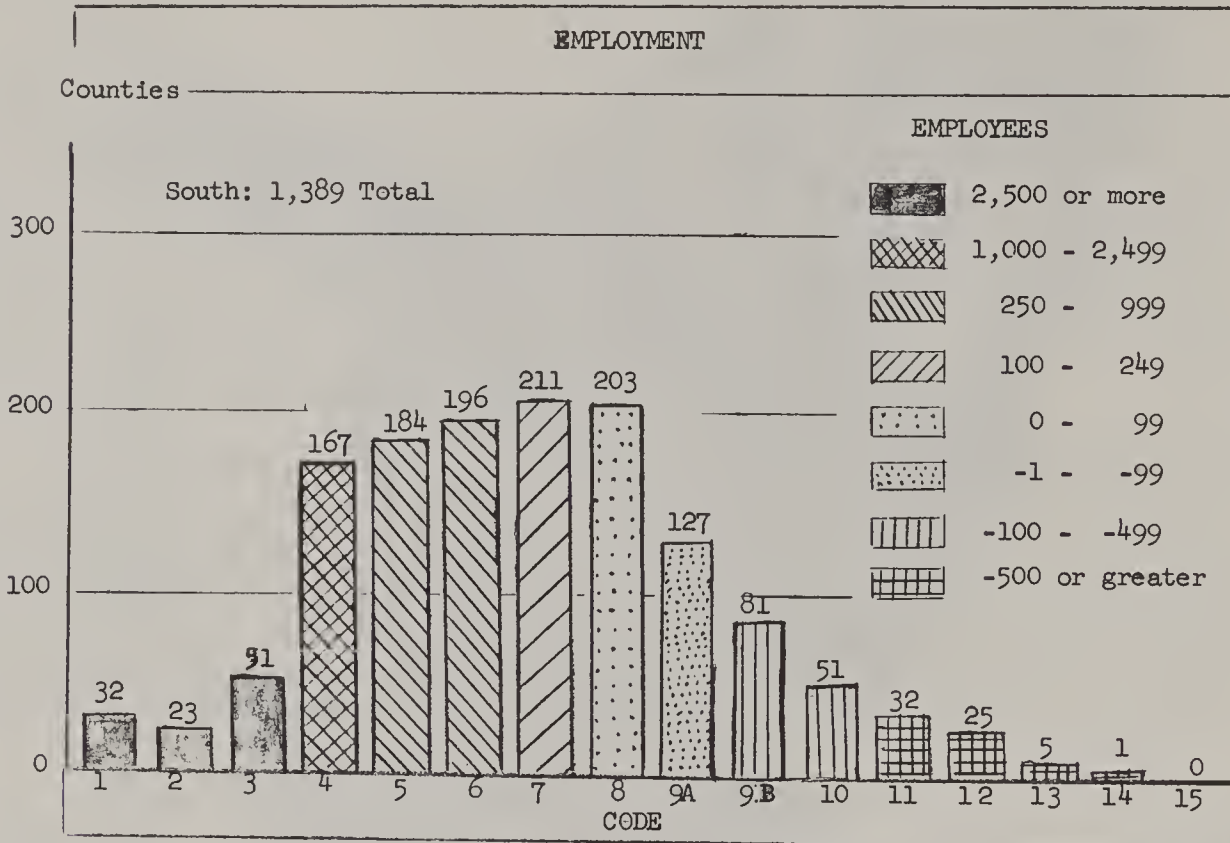


Figure 6
- 10 -

Increases above and beyond the increments stemming from additions of workers contributed, after adjustments for higher living costs, to limiting the number of counties with reduced payrolls to approximately 150, only slightly more than 10 percent of all counties in the South. In another 175 counties, increases merely contributed to boosting 1964 payrolls somewhat above those 5 years before. In decided contrast, enlargement of payrolls in the more than 1,000 remaining counties was of such magnitude as to give further evidence of an extension to additional rural and semi-rural counties of the type of diffusive economic growth underway in the earlier postwar period.

Locational Shifts in Additions to Employment

That there had been some exceedingly significant geographic shifts in the location of new employment in recent years is borne out by a comparison of current with past changes in the rural as contrasted with the urban or metropolitan counties of the Southeast. 6/

Coupled with sheer dimension or size of the existing economic base, an annual increment of 3.3 percent had a major bearing on the concentration in the metropolitan centers of 68 percent of the addition of 149,000 workers per year to private nonfarm industries of the general area in the 1948-59 period (table 4). Reflecting the heavy representation of coal mining and other counties that had experienced severe job losses and unemployment, the annual rate in the Class 5 counties (largest 1960 population center 2,500-4,999) was only 0.9 percent. In the other 4 classes, rates ranged from 2.2 to 2.4 percent, considerably below the rate either for the Southeast as a whole or for the metropolitan or Class 1 counties.

The rate of increase between 1959 and 1962 in the Class 5 counties continued to be sharply below annual increments in counties in the other classes. An influx of new employment was instrumental in maintaining the expansion rate at 2.2 percent in the Class 3 counties (largest population center 10,000-24,999). In the other 4 classes, rates coincided closely with the 1.5 percent recorded for the Southeast as a whole.

Improvements in the local employment picture in the succeeding 2 years were expressed in a rate of 3.6 percent in the Class 5 counties. The rate of 11.0 percent in the Class 6 counties (no 1960 population center of at least 2,500) was compounded from sizable additions to employment in a relatively large number of counties, notably in North Carolina and Tennessee.

As evaluated for the entire 1959-64 period, slippage in comparative rates for the metropolitan counties was such that they attracted only 58 percent of the average annual increment of 198,000 employees throughout the Southeast, or 10 percentage points less than their share in the earlier period. In contrast, the proportion gained by the Class 2, 3 and 4 counties increased from 26 to 30 percent, while that accruing to the essentially rural counties of Class 5 and 6 expanded to 12 percent, or double their 6 percent share in the 1948-59 period.

6/ Data for this and succeeding sections has been processed and is presently available for the Southeast only.

Table 4.--Employment changes in relation to largest 1960 population center, Southeast, 1948-64

Class of county and largest population center	Average annual gains		
	Employees	Rate	Share of
	Thous.	of gain Pct.	Southeast gain Pct.
1948-59:			
1 SMSA 1/-----	102	3.3	68
2 25,000-49,999-----	11	2.2	8
3 10,000-24,999-----	16	2.4	11
4 5,000-9,999-----	11	2.3	7
5 2,500-4,999-----	3	0.9	2
6 Under 2,500-----	6	2.2	4
Total-----	149	2.8	100
1959-64:			
1 SMSA 1/-----	115	2.7	58
2 25,000-49,999-----	16	2.5	8
3 10,000-24,999-----	26	3.1	13
4 5,000-9,999-----	17	2.8	9
5 2,500-4,999-----	7	1.7	3
6 Under 2,500-----	17	5.6	9
Total-----	198	2.8	100
1959-62:			
1 SMSA 1/-----	62	1.5	58
2 25,000-49,999-----	9	1.4	8
3 10,000-24,999-----	19	2.2	18
4 5,000-9,999-----	10	1.5	9
5 2,500-4,999-----	2	0.4	2
6 Under 2,500-----	5	1.7	5
Total-----	107	1.5	100
1962-64:			
1 SMSA 1/-----	193	4.4	58
2 25,000-49,999-----	27	4.0	8
3 10,000-24,999-----	36	4.0	11
4 5,000-9,999-----	29	4.5	9
5 2,500-4,999-----	15	3.6	4
6 Under 2,500-----	35	11.0	10
Total-----	335	4.5	100

1/ Standard Metropolitan Statistical Areas as designated for 1960 Population Census.

Note: Percentages were computed from unrounded compilations of data from County Business Patterns reports for years specified.

Employment Changes in Relation to Income Levels

Passing on to a review of relationship of the changes to income levels, the rate of increase in employment in counties in the Southeast that were represented in the First and Second Quintiles (top 40 percent of all United States counties, ranked according to 1959 median income of all families) exceeded that for the general area in the 1948-59 period (table 5). Rates of 2.2 and 2.3 percent, respectively, for counties in the Third and Fourth Quintiles were lower, and that of 1.7 percent for those in the Fifth Quintile was even less favorable.

These earlier differentials again did not carry through, what with individual rates varying only slightly between 1959 and 1962 and except for an expansion to 5.6 percent in counties in the Fifth Quintile, in the next 2 years as well. As a result, the share of the counties in the top two quintiles in annual additions of 198,000 employees was reduced from 71 to 63 percent. The corresponding increments were from 24 to 29 percent in counties in the next two quintiles, and from 5 to 8 percent in those in the lowest income category.

Employment Changes and Economic Viability

In counties with the most viable economies, i. e. those in which additions to median family incomes, in 1959 dollars, exceeded the comparable United States increase by 20 percent or more, employment expanded at the rate of 11.5 annually in the 1948-59 period (table 6). For the Group 2 and 3 counties (those with changes most nearly approximating the United States increase) the rates were 3.6 and 2.8 percent, respectively. Reading down to the bottom of the scale, employment in the counties in Group 6 (changes less than 40 percent of the United States increase) actually declined at the rate of 1.1 percent per year.

In the 3-year period including the 1960 recession, rates of increase were reduced sharply in Group 1 counties, and were less than half those in the earlier period in counties in Group 2 and 3. Losses continued in the counties in Group 6, but cutbacks in employment contributed to relatively minor reductions in the Group 4 and 5 counties.

Between 1962 and 1964, the upturn in jobs carried rates in the first 3 groups on the viability index to or beyond those attained over the 1948-59 period. Additions to the lowest 3 groups were translated into much higher rates than in the earlier period - rates comparable to that currently prevailing in the Group 2 and exceeding that in the Group 3 counties.

Combining data for the two periods for purposes of comparing changes over the entire 5 years, the same favorable relationship of rates in the Group 3 and 4 with the Group 2 and 3 counties carried through, with the least viable Group of counties in the 1950's now showing a small but positive rate of change.

Translated into shares of the annual gain in workers in the Southeast as a whole, the proportion received by the Group 1 and 2 counties was reduced from 33 to 30 percent. That of those in Group 3 declined even more significantly - from 47 to 38 percent. In contrast, the share of those in Group 4 increased from 19 to 24 percent, while those in Group 5 and 6, the counties formerly with the least viable economies, expanded from a mere 1 to 8 percent.

Table 5.--Relation of employment changes to income levels, Southeast, 1948-64

Class of county and income quintile <u>1/</u>	Average annual gains		
	Employees, Thous.	Rate of gain Pct.	Share of Southeast gain Pct.
1948-59:			
1 First-----	43	3.0	29
2 Second-----	63	3.3	42
3 Third-----	22	2.2	15
4 Fourth-----	14	2.3	9
5 Fifth-----	7	1.7	5
Total-----	149	2.8	100
1959-64:			
1 First-----	55	2.9	28
2 Second-----	69	2.7	35
3 Third-----	36	2.8	18
4 Fourth-----	21	2.8	11
5 Fifth-----	17	3.4	8
Total-----	198	2.8	100
1959-62:			
1 First-----	30	1.6	28
2 Second-----	37	1.4	35
3 Third-----	20	1.6	19
4 Fourth-----	11	1.4	10
5 Fifth-----	9	1.7	8
Total-----	107	1.5	100
1962-64:			
1 First-----	93	4.6	28
2 Second-----	117	4.3	35
3 Third-----	59	4.5	17
4 Fourth-----	36	4.5	11
5 Fifth-----	30	5.6	9
Total-----	335	4.5	100

1/ Based on a grouping into quintiles of all U.S. counties as arrayed by 1959 median family income.

Note: Percentages were computed from unrounded compilations of data from County Business Patterns reports for years specified.

Table 6.--Employment changes and economic viability ^{1/}, Southeast, 1948-64

County group and percentage U.S. increase	Employees Thous.	Average annual gains	
		Rate of gain	Share of Southeast gain
		Pct.	Pct.
1948-59:			
1 120 or more-----	30	11.5	20
2 100-119-----	20	3.6	13
3 80-99-----	70	2.8	47
4 60-79-----	28	2.0	19
5 40-59-----	4	1.2	3
6 Under 40-----	-3	-1.1	-2
Total-----	149	2.8	100
1959-64:			
1 120 or more-----	39	6.5	19
2 100-119-----	22	2.8	11
3 80-99-----	75	2.3	38
4 60-79-----	47	2.8	24
5 40-59-----	12	2.8	6
6 Under 40-----	3	1.2	2
Total-----	198	2.8	100
1959-62:			
1 120 or more-----	18	3.0	17
2 100-119-----	12	1.6	12
3 80-99-----	44	1.3	41
4 60-79-----	29	1.7	27
5 40-59-----	5	1.1	4
6 Under 40-----	-1	-0.5	-1
Total-----	107	1.5	100
1962-64:			
1 120 or more-----	70	10.7	21
2 100-119-----	35	4.3	11
3 80-99-----	122	3.5	36
4 60-79-----	75	4.3	22
5 40-59-----	23	5.2	7
6 Under 40-----	10	3.8	3
Total-----	335	4.5	100

^{1/} Based on ratio of changes in median family income in individual counties (in 1959 or constant dollars) to U.S. increase, 1949-59.

Note: Percentages were computed from unrounded compilations of data from County Business Patterns reports for years specified.

Contributions of Public Development Activities

Undoubtedly, such factors as growing traffic congestion and pyramiding land values, not only in the central cities but in their suburbs, have been responsible, together with the favorable climate in recent years for new industrial construction, for a major share of the decentralization now taking place, at least that to the more advantageously situated counties. Concurrently, such goals of Federal, State, and local development programs as promotion of industry and tourism, reduction of unemployment, and improvement of public services and facilities have been directed to areas that the industrial plant selection specialist normally would overlook. Hence, certainly in counties such as those just mentioned in which employment has expanded despite some fairly obvious and serious handicaps, such public development activities unquestionably have performed an important function.

To cite one example, the long-time interest of North Carolina, its institutions and people, in community and human betterment has served as a catalyst to a progressive expansion of jobs and incomes into more and more counties - Mountain, Piedmont, and Coastal Plain. Merely mentioned but certainly not overlooked is the somewhat parallel role, past and present, performed by TVA within its sphere. Dr. Chinitz gave a very comprehensive review this morning of the accomplishments as well as objectives of various Federal programs in contributing directly or indirectly to local area development.

My next remarks, accordingly, will be about a program started only a few years ago. In this instance, significance does not stem from either newness or uniqueness, considering the long history of road-building activities in the United States. It arises from the fact that the program already is providing a foretaste of things to come, once the construction of development highways and access roads, authorized by the Appalachian Development Program, is completed.

This undertaking by the Commonwealth of Kentucky provided for the addition of 2 major parkways to augment the planned system of interstate highways. From a junction with I-64 east of Lexington, the initial segment of the Mountain Parkway was built through the mountains, with an ultimate terminus at Pikesville, in the coal fields in the southeastern corner of the State. Originating at a junction with I-75 at Elizabethtown, much of the traverse of the Western Kentucky Parkway was routed through an area - the Western Coal Measures - with about an equally long record as a major rural problem area as the Mountain or Appalachian section.

Although completed and open to traffic only a relatively short time, both parkways already have attracted enough added jobs for the increases to show up in the 1964, and particularly for counties traversed by the Mountain Parkway, the 1965 statistics on employment and earnings. Development in the areas served by the present parkways should accelerate in the next few years. Not only this, but with the additions planned under the Appalachian Development Program, persisting declines in employment in the coal fields of Eastern Kentucky, certainly one of the most hard-hit areas even in Appalachia, could well be reversed.

To date, there have been some additions to employment in the nonbasic or residentiary industries (fig. 9). But, succeeding the slight recovery in the years immediately following the 1954 recession, employment in the mines has continued to decline, agriculture in general as well as a primary occupation has been sharply curtailed, and manufacturing is furnishing even fewer work opportunities than in earlier postwar years. The result has been a further reduction in jobs, and maintenance of a high rate of unemployment, alleviated only as many people have continued to migrate from the area.

On the positive side, a pickup in jobs already is underway in the vicinity of Pikesville and possibly other local population centers. With the accessibility provided by completion of the entire system of development highways, it would not be too far fetched to visualize both a reduction in unemployment and restoration of employment to levels prevailing, not necessarily at the peak in mining operations, but at least about 1956 or 1957. Among other contributions, the additions thus brought about would create jobs for many of the annual crop of high school graduates and other potential entrants to the labor force who would otherwise be forced to seek employment elsewhere.

The Task Ahead

Speaking of 1965 employment data prompts a reminder that the initial releases of 1965 County Business Patterns reports should be available by mid-year. Underscored thereby is the vast amount of work yet to be done even for the Southeast to complete the framework of reference required to incorporate data for another and equally crucial year in this present period of high-level economic activity.

Meanwhile, the additional information is being brought together on total employment and labor force, population, incomes and so on that is needed to interpret what is happening in those localities in the South, Southeast, and elsewhere in which sources other than private nonfarm industries furnish a significant share of employment and incomes. Additional data are being assembled to serve not only as controls over various population and other estimates, but to facilitate transposition of these and other statistics on employment and earnings from place of work to place of residence.

CHANGES IN EMPLOYMENT, 1948-59
SOUTH
COUNTIES EXPERIENCING GAINS OF 250 OR MORE EMPLOYEES

Data represent OASI program coverage as
listed in County Business Patterns reports
for years specified

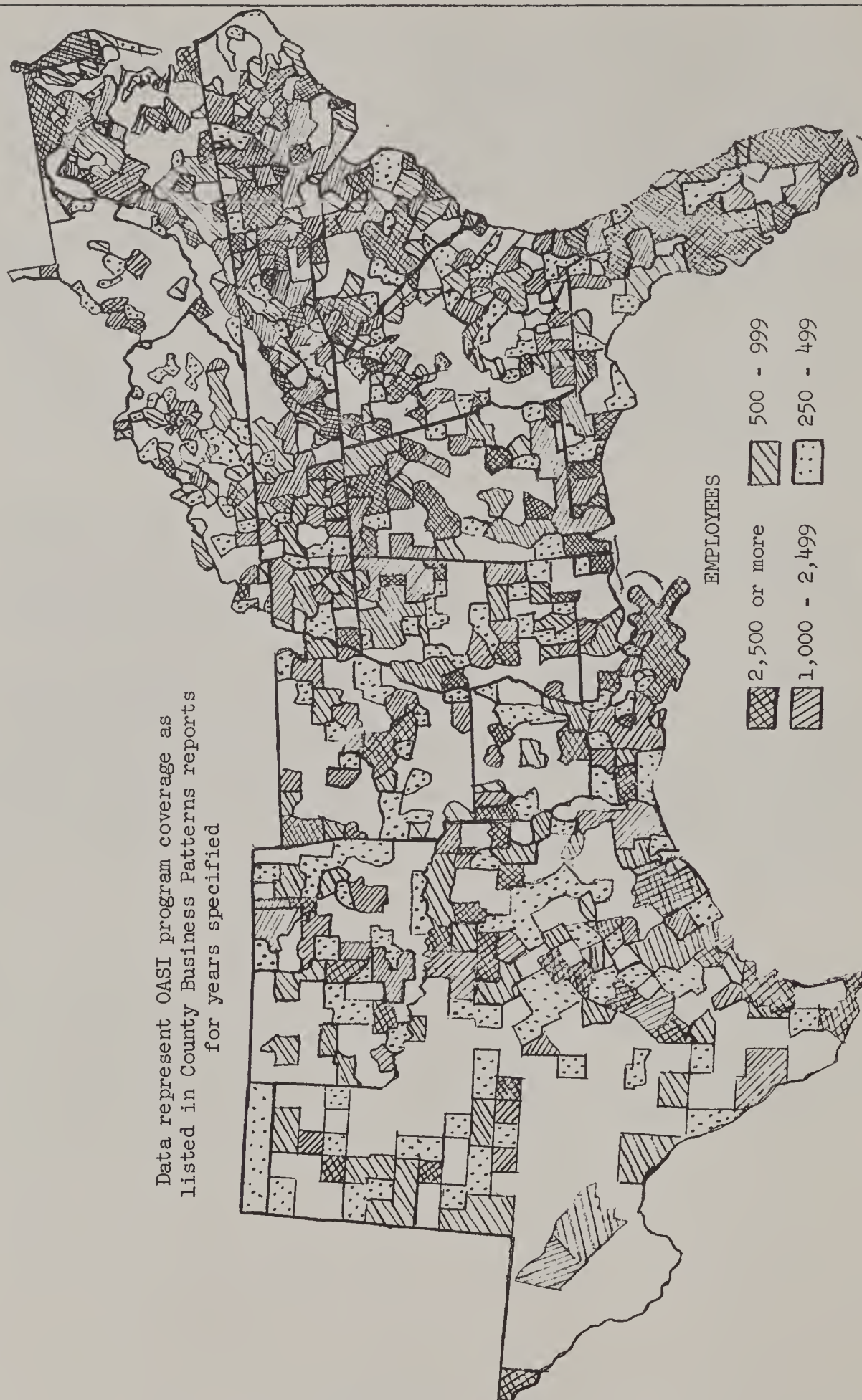


Figure 2

CHANGES IN EMPLOYMENT, 1948-59
SOUTH
COUNTIES EXPERIENCING GAINS OF LESS THAN 250 EMPLOYEES
OR A LOSS

Data represent OASI program coverage as
listed in County Business Patterns reports
for years specified



Figure 3

CHANGES IN EMPLOYMENT, 1959-64
SOUTH
COUNTIES EXPERIENCING GAINS OF 100 OR MORE EMPLOYEES

Data represent OASI program coverage as
listed in County Business Patterns reports
for years specified

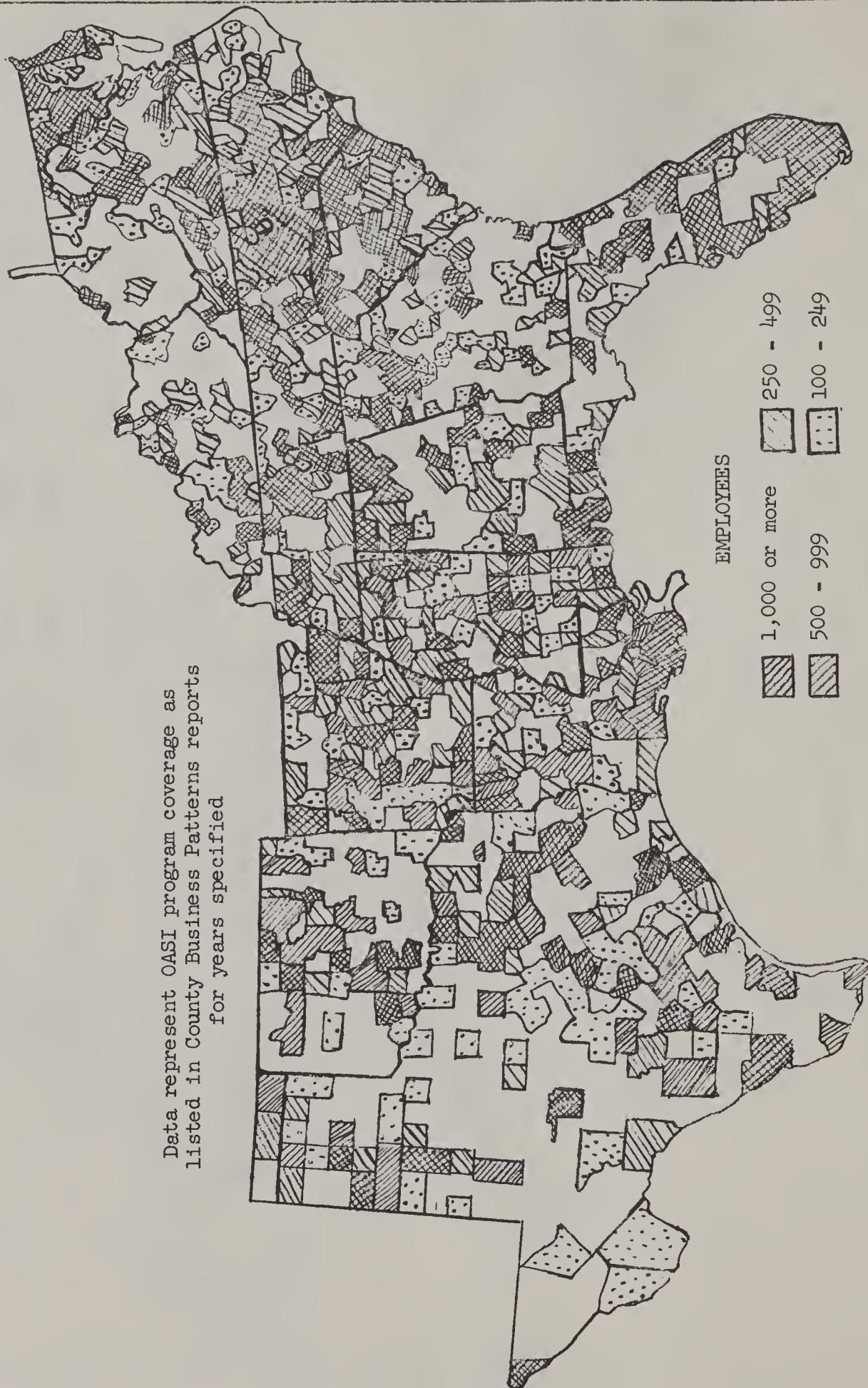


Figure 7

CHANGES IN EMPLOYMENT, 1959-64
SOUTH

COUNTIES EXPERIENCING GAINS OF LESS THAN 100 EMPLOYEES
OR A LOSS

Data represent OASI program coverage as
listed in County Business Patterns reports
for years specified

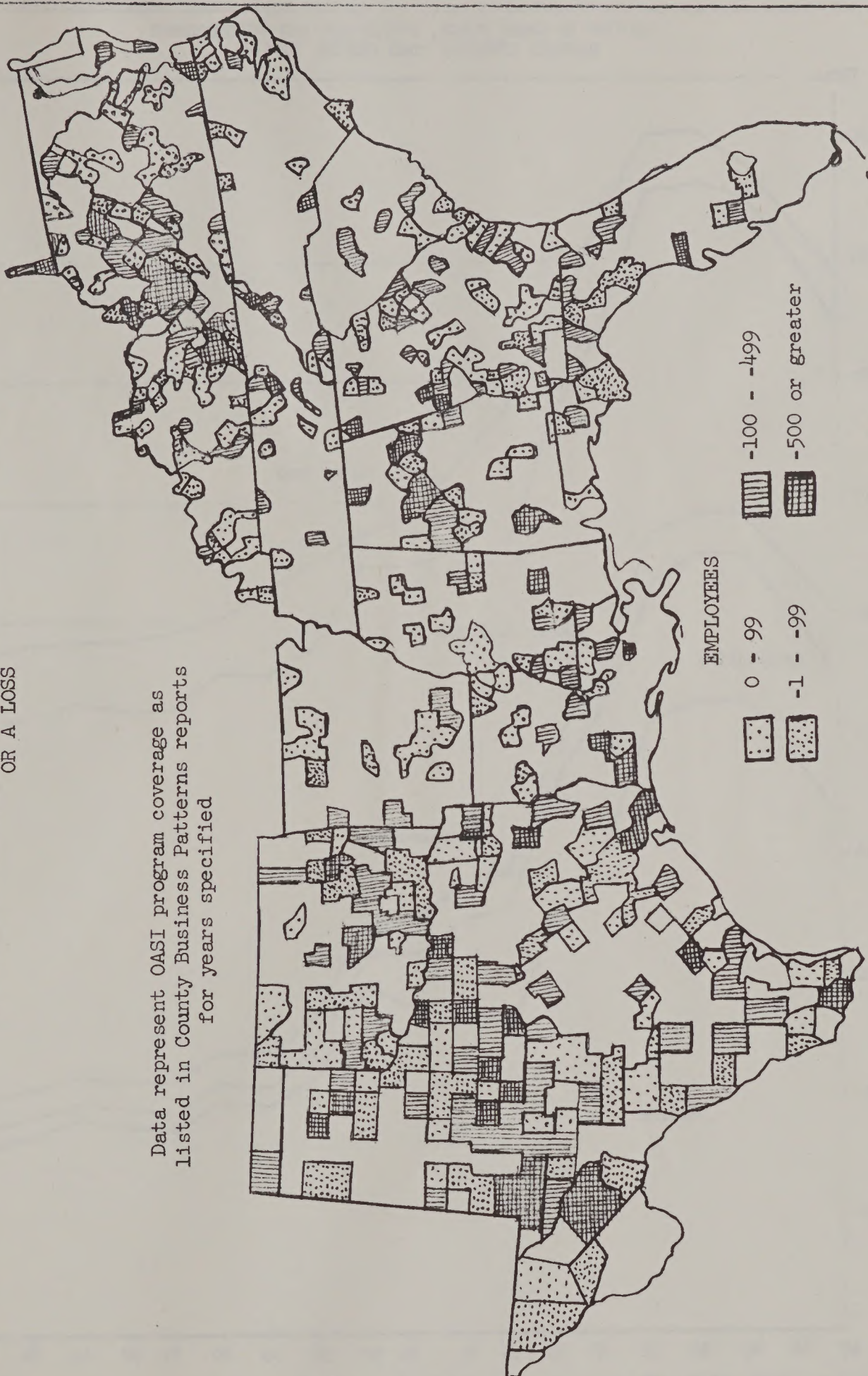
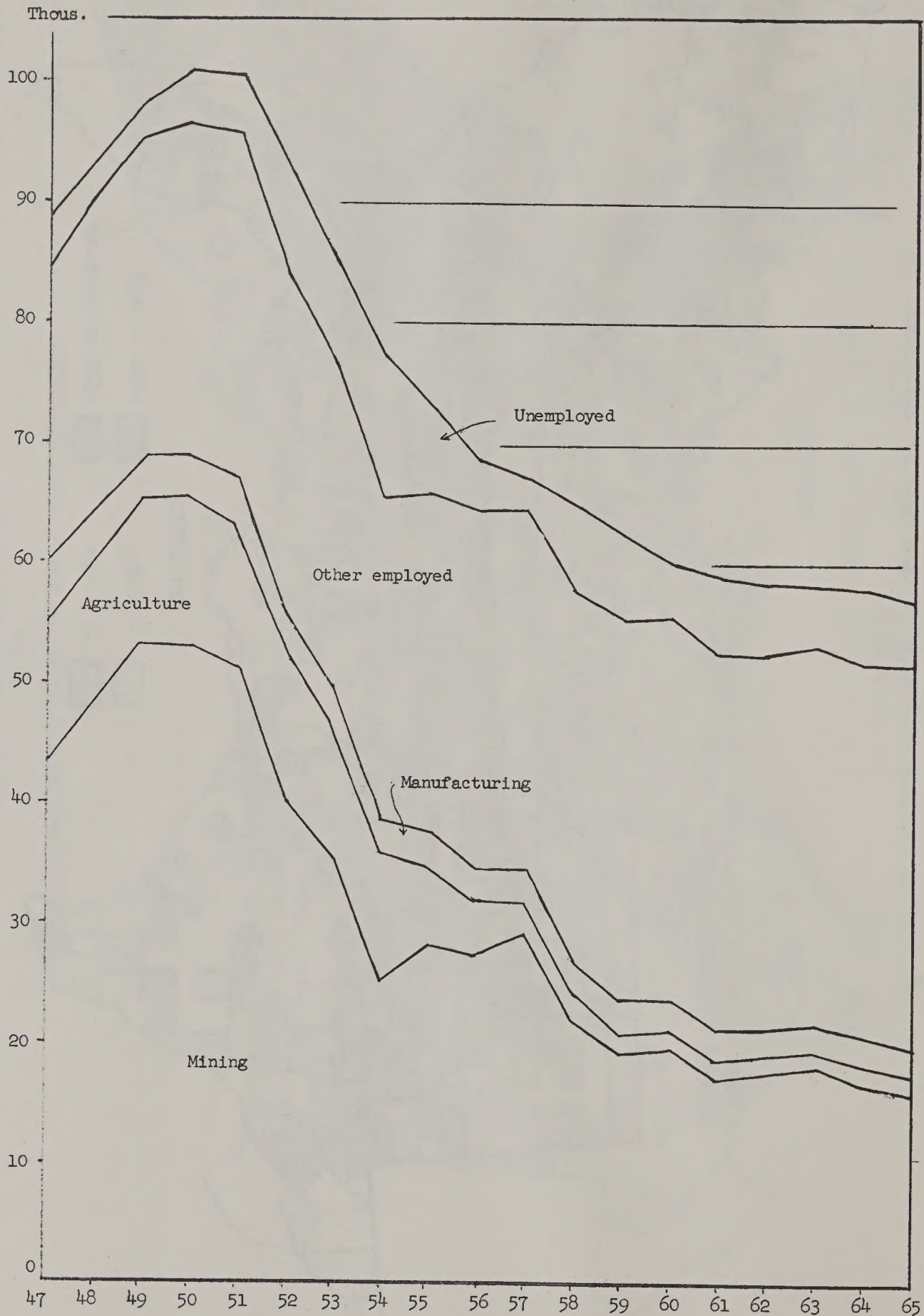


Figure 8

CHANGES IN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
EASTERN KENTUCKY COAL FIELDS, 1947-65



Sources: OASI and Ky. UI coverage, Minerals Yearbooks, and various U. S. censuses.

Figure 9

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